



**Puget Sound Gateway Program
Funding and Phasing Subcommittee
Meeting Summary
October 4, 2017**

Attendees	Organization
Mayor Dave Hill	City of Algona
Brian Roberts, Public Works	City of Burien
Councilmember Dave Kaplan	City of Des Moines
Mayor Dave Eidinger	City of Edgewood
Councilmember Jeanne Burbidge	City of Federal Way
Rick Perez, City Traffic Engineer	City of Federal Way
Councilmember Pat Hulcey	City of Fife
Steve Friddle, Community Development Director	City of Fife
Lora Butterfield, President/CEO	Fife Milton Edgewood Chamber of Commerce
Councilmember Dana Ralph	City of Kent
Mayor Suzette Cooke	City of Kent
Kelly Peterson, Public Works	City of Kent
Peter Heffernan, Government Affairs	King County Department of Transportation
Mark Howlett, Public Works Director	City of Milton
Mayor Leanne Guier	City of Pacific
Executive Bruce Dammeier	Pierce County
City Manager Kevin Yamamoto	City of Puyallup
Shelly Schlumpf, President & CEO	Puyallup Sumner Chamber of Commerce
Eric Ffitch, Government Relations	Port of Seattle
Geri Poor, Regional Transportation Manager	Port of Seattle
Will Appleton, Public Works Director	City of SeaTac
Kurtis Kingsolver, Public Works Director	City of Tacoma
Commissioner Dick Marzano	Port of Tacoma
Sean Eagan, Government Relations	Port of Tacoma
Craig Stone	Puget Sound Gateway Program Administrator
Doug Levy	Outcomes by Levy, LLC
Carolyn Logue	South Sound Chambers of Commerce
Tim Pierson, President & CEO	Tacoma Pierce County Chamber of Commerce
Rita Brogan	Independent Facilitator
Steve Gorcester	Independent Facilitator
Andrew Bjorn	Berk & Associates
Karl Westby	Puget Sound Gateway Program Team
Mike Rigsby	Puget Sound Gateway Program Team
Amy Danberg	Puget Sound Gateway Program Team
Dan Holmquist	Puget Sound Gateway Program Team
Emily Mannetti	Puget Sound Gateway Program Team

Summary

Craig Stone, Puget Sound Gateway Program Administrator, began the meeting by thanking everyone for coming and asking attendees to introduce themselves.

Next, Craig gave an overview of the agenda and the topics that would be covered during the meeting. He also reminded Subcommittee members of the previously developed Executive Committee Charter and noted that the Subcommittee's work will be in direct support of components of the Charter.

Next, Craig reviewed the funding timeline and legislative direction for the Program. He explained that the Washington State Legislature mandated that a local funding memorandum of understanding (MOU) be developed for the Program by July 1, 2018. He also highlighted that the Legislature asked the Program to review if any benefits could be gained from accelerating the project delivery timeline. Craig highlighted that the work of the Subcommittee would focus on both funding and sources, but also the phasing and what, if any, gains could be made through accelerating project implementation.

Craig then explained the four spheres of Gateway Program Funding. The spheres include local funding at \$130 million, toll funding at \$180 million, state funding (through the Connecting Washington Account) at \$1.565 billion, and federal grant money for \$114 million for a total of \$1.989.

Craig explained that the Program is presently pursuing a federal INFRA grant. He asked that subcommittee members consider sending in letters of support to provide this critical piece of funding. He also highlighted that he felt that WSDOT's application for the grant was very strong given that through the various funding sources 94 percent of the project is funded, leaving only six percent to the federal government.

Craig concluded his remarks by introducing the independent facilitation and evaluation team hired to strategize local funding sources, facilitate the Subcommittee meetings and provide expert review and analysis to local funding partners.

He introduced Steve Gorcester, independent facilitator and former director of the Transportation Improvement Board (TIB), Rita Brogan another independent facilitator and former Washington State Transportation Commissioner, Andrew Bjorn, economic analyst and Karl Westby, transportation analyst.

Bruce Dammeier, Pierce County Executive, noted that he was appreciative of the independent team assembled and is glad that the local funding partners are not being driven by WSDOT as the group works to define the MOU.

Craig then turned the meeting over to Steve Gorcester.

Strategic Funding Approach

Steve thanked everyone for coming and noted his excitement to begin solving how the twenty-two local jurisdictions and WSDOT could come together to make the funding MOU a reality and to produce a strategy that people could support.

He noted that there have been rumors of expected contribution amounts and talk of changing



Steve Gorcester leads discussion with stakeholders.

legislative policy. He indicated that it could be very difficult and time consuming to change legislative policy, and that the first construction project is set to begin in 2019. He stressed the need build a successful project with successful local partnerships with the course set by the Legislature.

He also explained that with the phased approach to delivering the SR 509 and SR 167 projects, it is important to address that funding for certain project components will be needed earlier than others.

Steve noted that the way that most local agencies and cities raise money for big transportation projects is through grants. He said it's very

difficult for big highway projects to get funding through local grant sources, but that if the program looks at the local nexus projects, there are strong opportunities for grants.

He explained that if SR 509 and SR 167 were already built, there are arterial projects that would be worth doing on their own. These projects include items such as the extension of Veterans Drive in Kent, or the 70th Avenue Bridge replacement in Fife, or the portion of the project from I-5 to the Port of Tacoma. Steve explained that these projects would be strong grant candidates.

Steve reviewed the proposal that of the funds that need to be raised – all of them could be raised around the local nexus projects. He explained that the bulk of the funds necessary could be realized through local matches and grants over the next six years.

He also explained that WSDOT would participate with local cities to create the match funds, giving each application an additional advantage.

Grant funding sources were identified as the federal Department of Transportation, the Transportation Improvement Board (TIB), Freight Mobility Strategic Investment Board (FMSIB), Puget Sound Regional Council (PSRC) and the Washington State Recreation and Conservation Office (RCO).

Rita Brogan then opened the floor to questions and discussion.

Kurtis Kingsolver, City of Tacoma Public Works Director, asked how the match money and grant money would be used to lower the overall funding level of \$130 million.

Steve responded that the grant funding received comes off of the total amount of local funding needed.

Kurtis expressed his support of the approach and indicated he felt it was the right approach for the Program and the local jurisdictions.

Bruce Dammeier, Pierce County Executive, inquired as to how right of way contributions would be counted in the local match.

Steve explained that the assumption is that right of way would be part of the funding for the match, or could be used to offset shortfalls.

Next, Steve reviewed potential local nexus projects. The first project reviewed was to complete a permanent piece of the Interurban Trail in Fife. He noted that the project team actually submitted a PSRC TAP grant in September. He thanked the City of Fife for their willingness to develop the grant in a short turnaround time period.

The next project reviewed as a strong grant candidate was the 70th Avenue E Bridge replacement in Fife. Steve noted that the 70th Avenue E Bridge presently has a standing queue of trucks throughout the day. He explained that it would be very reasonable for this portion of the SR 167 project to be a stand-alone project, and is therefore a strong grant applicant.

The final project Steve reviewed was the extension of Veterans Drive in Kent. He explained that this project was initially funded by TIB and FMSIB, making it an even stronger candidate for grant funding. He also highlighted the importance of this project to get trucks across I-5 and reducing overall truck travel times in the area.

Steve then opened the floor to discussion and questions.

Kevin Yamamoto, City Manager of Puyallup, asked for clarification regarding the note in the presentation that TIB grants could be used for ramps, and if the ramps noted were the ramps at Meridian Avenue in Puyallup.

Steve clarified that the reference to ramps in the presentation also reference some ramps on SR 509. TIB is usually for local arterials, but ramp projects that relate to economic success have been successful.

Mark Howlett, Public Works Director from the City of Milton, asked if there was any benefit to pursuing TIGER and INFRA grants simultaneously.

Steve and Craig clarified that the INFRA pool of funds is much larger, so the Program wants to pursue that first, and not interfere with the competitiveness of the application by pursuing TIGER as well. They also noted that there will be additional cycles for INFRA and TIGER.

Eric Ffitch, Port of Seattle, thanked Steve for his work in generating the initial local nexus projects and grant sources. He noted that he had heard varying levels of support for using TIB and FMSIB grant sources to help fund portions of the Gateway Program. He asked what, if any, advocacy the Subcommittee should do in to support the approach.

Steve noted that he's spoken to TIB and FMSIB. He explained that funding extensions of former TIB grant recipients, such as the extension of Veterans Drive and the new 70th Avenue E, are seen as consistent with other grant applications and awards. He also explained that FMISB's previous hesitation regarding the grant strategy was really about the thought that local agencies

should not be contributing to a state highway project. That said, the whole intent of FMISB is to support truck, freight and rail projects, so these projects are consistent with those goals.

Mayor Suzette Cooke, City of Kent, inquired about the local match and making sure that in a given year, the grant being applied for has the support of the Subcommittee and is the only grant application that year.

Steve explained that the notion of avoiding competition among grant applications in a given year desirable, but it's not required.

Kurtis Kingsolver, suggested that as a group, support should be put toward one grant application a year. However, he expressed concern over the notion that a city could not pursue other grants in a cycle. He noted that there are other projects within the City of Tacoma that will need to apply for grants.

Steve indicated that the desire to prevent competition is a detail that can be reviewed in the MOU process.

Councilmember Dave Kaplan, City of Des Moines, asked if the local nexus projects reviewed in the presentation are the only ones being considered.

Steve noted that there are other potential local nexus projects, but that the ones reviewed during the meeting are the strongest.

Peter Heffernan, King County, asked about the strategy concerning grantor agencies acting as the "last dollar in."

Steve explained that with the Gateway Program being funded at almost 2 billion dollars, all projects are going to show very strong funding behind them. This makes the grants being explored even more competitive.



Subcommittee members share their input.

Geri Poor, Port of Seattle, asked if WSDOT will be participating in any portion of the match. Steve explained that WSDOT is assumed to be part of the match in every grant, but that it wouldn't count toward the total of local funding needed.

Carolyn Logue, South Sound Chambers of Commerce, asked if there has been any work looking at how the Puyallup Tribe or local businesses are benefiting from the project. Steve explained that WSDOT and the Puyallup Tribe are presently working together and that the Tribe is assumed to be a partner. With private business, we need to continue to assess who the benefactors of the project may be and work that into some of our economic analysis.

Commissioner Dick Marzano, Port of Tacoma, noted that his expectation is that when grants are pursued, the others in the Subcommittee would write letters of support.

Steve noted that letters of support are more important for some grants than others, but that there will be an expectation that grants are supported by the entire group.

Economic Analysis

Next, Andrew Bjorn with Berk Consulting reviewed the expected outputs of the independent economic analysis. He explained that they are reviewing items such as transportation impacts and benefits; economic impacts and benefits, such as enhancement for local accessibility and parcel development potential; and fiscal information in the form of tax revenue created by the projects.

Andrew noted that a more comprehensive assessment of economic benefits and impacts will be reviewed during the December meeting. He also explained that he'll be looking to have discussions with the local jurisdictions to refine their research.

Bruce Dammeier explained that he saw great potential for local and strategic wins through this strategy and the need to get the projects completed earlier.

Brian Roberts, City of Burien, inquired about interactions with each jurisdiction in regard to the economic analysis. He asked for an opportunity to review the work that's created and provide feedback.

Andrew explained that he wants this level of input to ensure that the team is covering what needs to be addressed for each community.

Local Priorities and Data Needs

Rita Brogan then introduced an activity to identify priorities and data needs.

The Subcommittee identified the following as priorities:

- Veterans Drive extension benefits beyond freight: noise, smog, safety. (Mayor Cooke)
- SR 161 and SR 167 intersection: extremely important to Puyallup. Freight mobility at the intersection is intertwined with local commuters, so operational effectiveness is our priority. (Kevin Yamamoto)
- The new 70th Avenue East bridge is needed to alleviate traffic back up on SR 99 and extend the freight route on Valley Avenue. (Councilmember Hulcey)
- Make sure the cities are kept whole and that there is an economic benefit to communities. (Mayor Cooke)
- Concerns regarding diversion of traffic onto I-5 and then diversion onto local streets in Federal Way. (Councilmember Burbidge)
- Package the local efforts to show the best possible connections now and into the future. (Executive Dammeier)
- Show that our state is trade dependent in grant applications and materials. (Commissioner Marzano)
- As cargo increases through the Ports, so will truck traffic. It's important to show that these projects create a benefit for all users. (Eric Ffitch)
- Show the beneficial impacts that the restoration of Hylebos Creek will have to the community and environment. (Mark Howlett)

- Important to remember and show that economic activity is generating tax revenue for the benefit of our citizens and local communities. (Sean Eagan)

The Subcommittee identified the following as data needs:

- Assess loss of revenue to the cities as a result of the project. (Mayor Cooke)
- Look at diversion in Federal Way as a result of more traffic using I-5 between SR 509 and SR 167 – both during construction and operation. (Councilmember Burbage)
- Assess job creation information.
- Analyze how local access to Sea-Tac area properties can support and/or increase job growth. (Geri Poor)
- Breakdown of economic benefit by jurisdiction. (Councilmember Kaplan)
- Arterial and access improvements on the SR 509 project. Some may have an impact on economic benefits and job creation. (Councilmember Kaplan)
- Analysis of short-term negative impacts realized by local jurisdictions and communities. (Carolyn Logue)

Role of Funding and Phasing Subcommittee

Then, Rita reviewed the operating principles for the committee. They are as follows:

- Demonstrate unified support and advocacy for local grant submittals
- Avoid competition in the year of grant submittals
- Commit to work together to ensure success of the project
- Commit the necessary resources to apply for grants
- Act as liaison regarding the project with your respective jurisdictions
- Commit to supportive messaging with external audiences

Kurtis Kingsolver noted that he could agree to the operating principles. He expressed concern regarding the non-compete portion and that some of his staff rely on grants for their jobs. He also indicated that he would provide strong support for the grants the group pursues, but a non-compete would be hard.

Councilmember Dana Ralph, City of Kent, suggested changing the wording of “Avoid competition in the year of grant submittals” to “minimize competition in year of grant submittals.” Kurtis Kingsolver and Brian Roberts agreed that there need to be clarification around this point.

Rita then asked the group if there was general consent to changing the wording. The group agreed that changing “avoid” to “minimize” was acceptable.

Next Steps

Next, Rita reviewed the work plan and next steps for the Subcommittee. She indicated that there would be up to six meetings prior to July 1, 2018. She asked for the Subcommittee’s active and enthusiastic participation and a commitment to letters of support for each grant request.



She also reviewed that requests for letters of support for the INFRA grant have been sent, and that WSDOT hopes to have all letters in hand by October 16.

Finally, she reviewed that the next meeting of the Subcommittee is planned for December 13 at SeaTac City Hall.

Bruce Dammeier indicated that the work plan looks good, and that he understood the primary role of the subcommittee is to get to an approved MOU, but that he hoped the group would continue to support the grant applications throughout the coming years.

Craig Stone concluded the meeting and thanked everyone for coming and the positive discussion. He noted that he would continue to keep Representative Fey apprised of the work of the Subcommittee and that the team is planning for an Executive Committee in the new year, prior the beginning of the 2018 Legislative Session.